



FEDERAL RESERVE BANK OF DALLAS

2200 N. PEARL ST.
DALLAS, TX 75201-2272

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

July 16, 2004

Notice 04-43

TO: The Chief Operating Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

Reminder—Check 21 Is Not Effective Until October 28, 2004

DETAILS

The Retail Payments Office of the Federal Reserve Banks reminds depository institutions that the Check 21 Act, which supports the use of substitute checks, does not become effective until October 28, 2004. Until that date, a “substitute check” is not the legal equivalent of an original check.

If a depository institution creates a “substitute check” and tries to clear it through the check collection and return process prior to October 28, 2004, a bank is not required to honor it.

The Federal Reserve Banks pay U.S. government checks as fiscal agents of the U.S. Treasury. No “substitute check” derived from a U.S. Treasury check may be presented for payment prior to the effective date of the Check 21 Act. Any “substitute” U.S. Treasury check received by the Reserve Banks prior to October 28 will be returned to the bank that sent it.

MORE INFORMATION

If you have questions regarding this issue or the implementation of Check 21, please contact Diane Holloway at (214) 922-5470 or Don Jackson at (214) 922-5431. Paper copies of this notice or previous Federal Reserve Bank notices can be printed from our web site at www.dallasfed.org/banking/notices/index.html.

Sincerely,

A handwritten signature in cursive script that reads "Helen E. Holcomb".